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ABSTRACT

This project is designed to teach students the process of buying stocks and to tracking their investments over the course of a semester. The goals of the course are to teach students about the relationships between conditions in the economy and the stock market; to predict the effect of an economic event on a specific stock or industry; to relate stock prices to laws of supply and demand; to develop and apply mathematics skills; to make basic computations; and to create and interpret graphs. All instructional materials are included. (NL)

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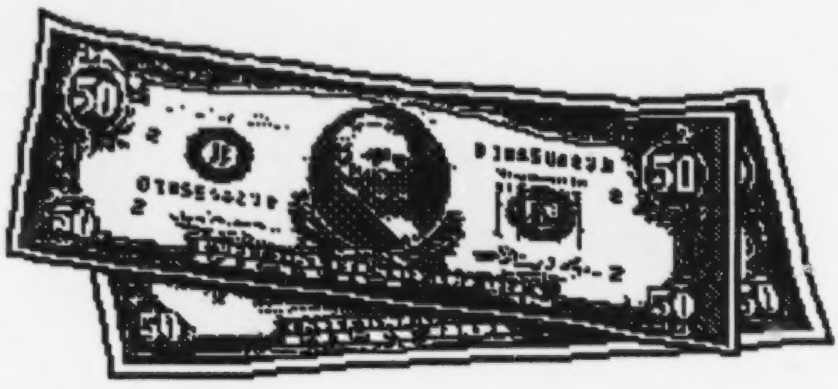

STOCK MARKET PROJECT

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STOCK MARKET PROJECT OBJECTIVES

Through participation in this project, students will be able to:

--explain the process of buying a stock

--give reasons for choosing one stock as an investment

--give examples of relationships between conditions in the economy and conditions in the stock market

--predict the effect of an economic event on a specific stock or industry

--locate and summarize information about the economy in the newspaper

--give examples of the ways consumer demand affects conditions in an industry

--give examples of ways changes in supply affect the price consumers pay

--relate the prices of stocks to the basic laws of supply and demand

--identify the stock market as an example of the market system

--identify and analyze the decisions made by producers

--identify relationships between changes in economic activity in other countries on the United States economy

--develop and apply math skills: basic computations with whole numbers, fractions, and decimals; using percentages to analyze situations; creating and interpreting circle and line graphs

TEAM STOCK MARKET REPORT
INTRODUCTION TO BUSINESS

1. Each team will submit a report. It should include the team name, a list of the individual team members, and what each each team member did. The report will be due the same day the individual stock market project is due.

2. Your team must prepare a report explaining why the team's portfolio increased or decreased so much over such a short time. The explanation must include:

   --identification of stock(s) that were especially responsible for that shift
   --identification of economic reasons for the growth or decline of those stocks

3. Explanation must be written clearly and briefly, with a limit of 200 words. This is the most important part of the report. All team members must be involved in the analysis and writing of the report.

4. Students must submit portfolio records to document their statement.

5. Students must prepare a graph illustrating the shift in their portfolio.

6. No adults should assist in the preparation of the reports.

7. Your team records should include:

   Worksheet 6: Your Portfolio Choice and Circle Graph
   Transactions Worksheet
   Stock Choices
   Keeping Track-One Stock's Story
   Portfolio Math-Advanced
   Market Progress
   Individual Stock Graph
   Market Analysis (Advanced)
   Portfolio Math

8. Turn in all the above information in a clean folder.

9. Grading will be based on: clear evidence of comprehension of the economics involved in the changes reported; clarity with which the statements are written; completeness of the report.

WORKSHEET 6: Your Portfolio Choices

NOW YOU ARE READY to choose your real portfolio.

From the business pages of the Chicago Tribune, select the names of the stocks you want to buy. Then write the reasons why you chose them.

STOCKS	REASONS TO BUY THEM

Complete this table to tell your portfolio choices and values. Use the stock listings in the Chicago Tribune to find their current prices.

STOCK	PRICE	NUMBER OF SHARES	TOTAL COST

On the back of this page, draw a circle graph showing how your portfolio is set up.

DEPAUL UNIVERSITY
STOCK MARKET TRANSACTIONS WORKSHEET

PURCHASES OR SHORT SALES

1 TRANSACTION DATE	2 TRANSACTION CODE	3 STOCK CODE NUMBER	4 NUMBER OF SHARES TRANSACTED	5 PRICE PER SHARE	6 COST OF STOCK PURCHASED OR SHORT SALE PROCEEDS (4 × 5)	7 BROKERAGE FEE (2% of 6)	8 TOTAL PURCHASE COST OR NET SHORT SALE PROCEEDS (6 + 7) (6 − 7)

SALES OR SHORT COVERS FOR ABOVE TRANSACTIONS

9 TRANSACTION DATE	10 TRANSACTION CODE	11 STOCK CODE NUMBER	12 NUMBER OF SHARES TRANSACTED	13 PRICE PER SHARE	14 SALE PROCEEDS OR SHORT COVER COST (12 × 13)	15 BROKERAGE FEE (2% of 14)	16 NET SALE PROCEEDS OR GROSS SHORT COVER COST (14 − 15) (14 + 15)	17 NET PROFIT (16 − 8) for STOCK PURCHASED OR (8 − 16) for SHORT SALES

Stock Choices

EVERY TIME YOU BUY or sell a stock, write a note telling why you made this choice.

STOCK	WHY WE BOUGHT IT	WHY WE SOLD IT

Sheet B

CHICAGO TRIBUNE/DEPAUL UNIVERSITY STOCK MARKET PROJECT

Keeping Track--One Stock's Story

Stock: _____

Bought on: _____ Sold on: _____

Why I bought it: Why I sold it:

BUYING INFORMATION

Price per share: _____

Number of shares: _____

Total Price: _____

figure out
2% commission _____

add it to the
total price:
your total cost _____

SELLING INFORMATION

Price per share: _____

Number of Shares: _____

Total Price: _____

figure out
2% commission _____

subtract it
from total sale:
what do you get? _____

MONEY GAIN/LOSS

Subtract the total amount you got for selling the stock from the total amount you paid for it.

I gained/lost $ _____

REAL GAINS:

What did you learn about the stock market and the economy from the story of this one stock?

STOCK MARKET PROJECT PORTFOLIO MATH-- ADVANCED

Follow these steps to calculate the changes in your portfolio.

1. Set up a table with these headings:

A. Stock Purchased

B. Initial Value

C. Commission Paid

D. Value when Sold

E. Commission Paid

F. Gain

G. Loss

2. For each stock in your portfolio at any point in the project, complete each category in the table.

To calculate category F or G, you have to take the following steps:

Step 1: Subtract D from B.

Step 2: If you have a positive result, write it in column F.
If you have a negative result, write it in column G.

3. For your portfolio status, follow these steps:

Step 1: Add column F.

Step 2: Add column G.

Step 3: Subtract total of column G from total of column F.

Step 4: Add Column C and Column E.

Step 5: Take the total value of commission paid (Column C and E) and subtract it from the total gain/add it to the total loss.

Step 6: Figure out how much of a percentage gain/loss you made by dividing the result of step 5 by 100,000.

Market Progress

USE THIS CHART TO TELL how your portfolio is doing each week.

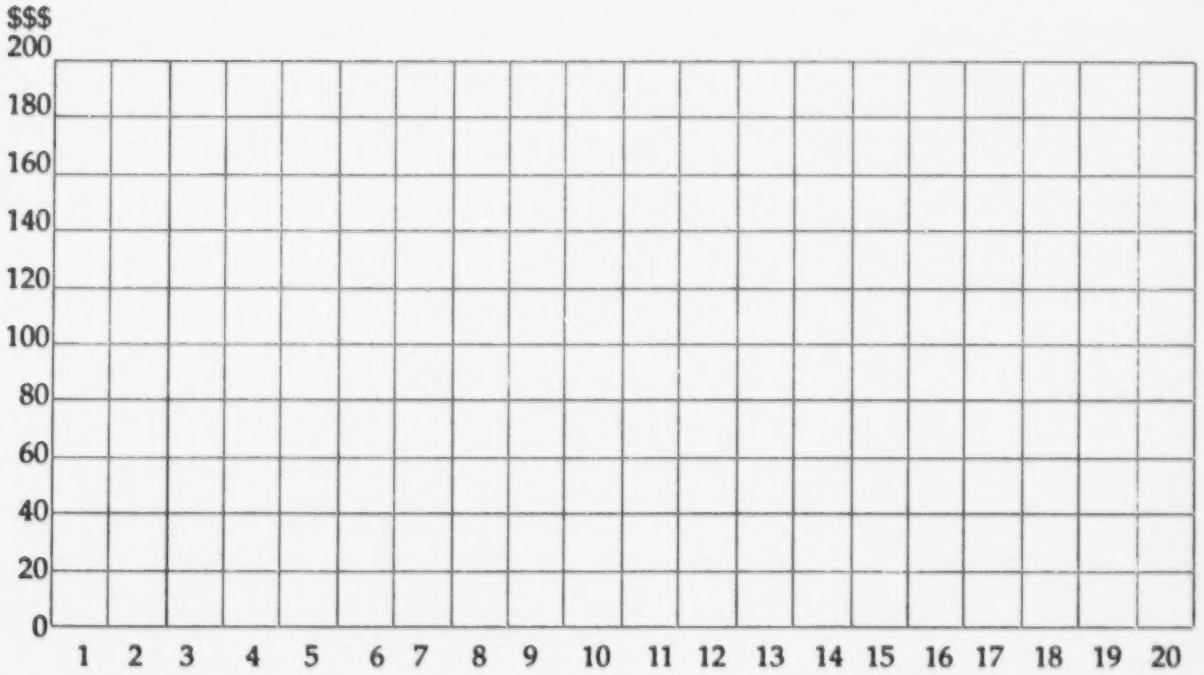
WEEK	GAINS/LOSSES	TOTAL VALUE

Individual Stock Graph
(Advanced)

Stock Graphs

USE THIS PAGE TO MAKE a graph of the value of the stocks in your portfolio. Just use the value of the stock for the Tuesday of each week during the project. Use a different color for each stock in your portfolio.

Key	Stock Name	Color



Market Analysis
(Advanced)

Analyze your graph. What does it show about changes in the economy or trends for each of the stocks?

STOCK MARKET PROJECT PORTFOLIO MATH

Follow these steps to calculate the final value of your portfolio.

STOCKS IN YOUR PORTFOLIO AS OF	NUMBER OF SHARES	PRICE AS OF	TOTAL VALUE

What percentage did your portfolio increase or decrease? (To find out, add the total value of each stock and find the total value of all the stocks. Then subtract that total from $100,000, the amount you started with. Divide that result by 100,000 to figure out the percentage gain/loss.)

FINAL DOLLAR VALUE: $_____

PERCENTAGE GAIN/LOSS: _____%